STATE OF ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT

IN THE MATTER OF:))
Gregory Webb,) File Numbers: 0700225 and 0800463
InfrAegis, INC, F/K/A Intelagents, INC.)
its partners, members, officers, directors,)
agents, employees, affiliates, successors)
and assigns.)
CityMainStreet Technologies Group Inc.,)
its partners, members, officers, directors,)
agents, employees, affiliates, successors)
and assigns)
Nextweb Technologies, Inc.)
its partners, members, officers, directors,)
agents, employees, affiliates, successors)
and assigns.)
Bacteria Sciences Worldwide, LLC.,)
its partners, members, officers, directors,)
agents, employees, affiliates, successors)
and assigns)

Consent Order of Prohibition

TO RESPONDENTS:

Gregory Webb 304 E. Fairview

Arlington Heights, Illinois 60005

Gregory Webb

1612 Landmeier Road, Suite F Elk Grove Village, Illinois 60007

InfrAegis, Inc.

1612 Landmeier Road, Suite F Elk Grove Village, Illinois 60007

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Nextweb Technologies, Inc. D/B/A CityMainStreet Technologies Group Inc. 1612 Landmeier Road, Suite F Elk Grove Village, Illinois 60007

INFRAEGIS, INC. C/O MS REGISTERED AGENT SERVICES 191 N Wacker Drive, STE 1800 Chicago, Illinois 60606

CityMainStreet Technologies Group Inc. C/O LEXISNEXIS DOCUMENT SOLUTIONS INC. 2711 Centerville Road, Suite 400 Wilmington, Delaware 19808

Bacteria Sciences Worldwide, LLC Watergate Office Complex 2600 Virginia Ave. NW, Suite 606 Washington, D.C. 20037 USA

Courtesy copy to: Steve Blonder

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191 N. Wacker Drive Chicago, Illinois 60606

WHEREAS, Respondents Gregory Webb, Bacteria Sciences Worldwide, LLC, its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, CityMainStreet Technologies, its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, Nextweb Technologies, Inc., its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, and InfrAegis Inc. its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, ("Respondents"), on the 3rd day of May, 2010, executed a certain Stipulation to Enter Consent Order of Prohibition (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Gregory Webb, Bacteria Sciences Worldwide, LLC, its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, CityMainStreet Technologies, its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, Nextweb Technologies, Inc., its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, and InfrAegis Inc. its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, have admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, for case number 0700225 dated November 27, 2007, the second Notice of Hearing for case number 0800463 dated October 20, 2008 and the

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Amended Notice of Hearing issued dated May 27, 2009, in this proceeding (the "Notice") and Respondents have consented to the entry of this Consent Order of Prohibition ("Consent Order").

WHEREAS, by means of the Stipulation, Respondents have acknowledged that the following Findings of Fact are intended to be a final determination of the issues and Respondents agree that they shall be estopped from making arguments contrary to the Findings of Fact in any collateral proceeding(s).

WHEREAS, by means of the Stipulation, Respondents have acknowledged that the following shall be adopted as the Secretary of State's Findings of Fact, and has admitted to the truth thereof:

CASE 0700225 <u>Count I</u> FRAUD IN THE SALE OF SECURITIES

- 1. Respondent Gregory Webb ("Webb"), a natural person, has a last known address of 304 E. Fairview, Arlington Heights, Illinois 60005 and a last known business address of 1612 Landmeier Road, Elk Grove Village, Illinois 60007. Respondent Webb is President and CEO of InferAegis and President and CEO of Nextweb Technologies D/B/A CityMainStreet Technologies Group, Inc.
- 2. Respondent InfrAegis, Inc. ("InfrAegis") is a Delaware Corporation and maintains a business location at 1612 Landmeier Road, Elk Grove Village, Illinois 60007.
- 3. Delaware Secretary of State Records indicate InfrAegis registered agent's address is LexisNexis Document Solutions Inc., 2711 Centerville Road, Suite 400, Wilmington, Delaware, 19808. Illinois Secretary of State Records indicate InfrAegis registered agent's address is Ms Registered Agent Services, 191 N Wacker Drive, STE 1800 Chicago, Illinois 60606.
- 4. Respondent Nextweb Technologies, Inc., purports to be a corporate entity, the jurisdiction in which it is incorporated, if any, is unknown. The Illinois Secretary of State records indicate that it is not registered as a domestic corporation nor has Nextweb Technologies, Inc. filed an Application for Authority to conduct business in Illinois.
- 5. Respondent CityMainStreet Technologies Group, Inc. is a Delaware Corporation and Delaware Secretary of State Records indicated CityMainStreet Technologies Group, Inc registered agent's address is LexisNexis Document Solutions Inc., 2711 Centerville Road, Suite 400, Wilmington, Delaware, 19808.
- 6. In a response to a Request for Information, Respondent Webb signed a statement claiming that in May 2003, CityMainStreet Technologies Group, Inc. officially changed its name to Nextweb Technologies, Inc. Respondent Webb further stated that Nextweb

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Technologies, Inc continued to conduct business as CityMainStreet Technologies Group, Inc.

- 7. In 2004, at least one Illinois Investor (Investor A) was solicited to invest in CityMainStreet Technologies Group, Inc.
- 8. Prior to Investor A's purchase, Webb represented to the investor that CityMainStreet Technologies Group, Inc., was a stand-alone corporation.
- 9. Elsewhere, Respondents represented that CityMainStreet Technologies Group, Inc. was engaged in providing products and services to wireless communications providers.
- 10. Investor A, and others known to Investor A, paid to Webb the sum of \$174,500, in exchange for which Respondent Webb delivered 174,500 shares of CityMainStreet Technologies Group, Inc and promised to deliver 349,000 shares of InfrAegis, Inc.
- 11. Despite selling shares of CityMainStreet Technologies, Inc. Respondent Webb and Respondent Nextweb failed to inform Investor A, that the corporate name for CityMain Street Technologies, Inc. was Nextweb.
- 12. Despite the corporate name being changed to Nextweb, Respondents continued to solicited and sell shares of CityMain Street Technologies, Inc. until 2005.
- 13. Unknown to Investor A, and contrary to the representations of the Respondents, Nextweb was not stand alone company engaged in providing products and services to wireless communications providers. In fact, Nextweb D/B/A CityMain Street Technologies was an incubator corporation, designed to further form and fund affiliated corporations.
- 14. Unknown to Investor A, and contrary to the representations of the Respondents, Nextweb was providing incubation services to InfrAegis.
- 15. Respondents failed to disclose any information relating to nature of the relationship between InfrAegis and Nextweb or any related party transactions between InfrAegis and Nextweb.
- 16. By at least late 2005, InfrAegis had concluded, that in prior stock sales, InfrAegis had violated state and federal regulations.
- 17. Despite this, through at least February 2007, InfrAegis continued to sell stock, without disclosing the prior violations or the possible Offer of Purchase rights of prior investors.
- 18. The activities described above constitute the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 et. seq.] (the "Act").
- 19. Section 12.F of The Act states that it shall be a violation of the provisions of this Act for any person to, "engage in any transaction, practice or course of business in connection

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with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.".

- 20. Section 12.G of the Act states that it shall be a violation of the provisions of this Act for any person to, "obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."
- 21. Section 12.I of the Act states that it shall be a violation of the provisions of this Act for any person to, "employ any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
- 22. By virtue of this conduct, Respondents violated Sections 12.F, 12.G, and 12.I of the Act.

II. FAILURE TO REGISTER SECURITIES

- 23. Between 2003 and 2007, Respondents directly, and by employing agents, sold shares of InfrAegis Inc. and CityMainStreet Technologies Group Inc.
- 24. The activities described above constitute the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 et. seq.] (the "Act").
- 25. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 "shall be registered either by coordination or by qualification prior . . . to their offer or sale" in the State of Illinois.
- 26. Respondent failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a result, the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
- 27. Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person "to offer or sell any security except in accordance with the provisions of the Act."
- 28. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person "to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act."
- 29. By virtue of the foregoing, Respondent violated Sections 12.A and 12.D of the Act.
- 30. That Section 11.E(2) of the Act provides, *inter alia*, if the Secretary of State shall find that any person has violated sub-section F or G, of Section 12 of this Act, the Secretary of State may by written order permanently prohibit the person from offering or selling any securities in this State.

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31. That by virtue of the foregoing violations of sub-sections 12.F and 12.G, Respondents are subject to permanent prohibition from offering or selling any securities in the this state pursuant to Section 11.E(2) of the Act.

<u>Case 0800463</u> <u>Count I</u> FAILURE TO REGISTER SECURITIES

- 1. Respondent Gregory Webb ("Webb"), a natural person, has a last known address of 304 E. Fairview, Arlington Heights, Illinois 60005 and a last known business address of 1612 Landmeier Road, Elk Grove Village, Illinois 60007. Respondent Webb is President and CEO of InfrAegis.
- 2. Respondent InfrAegis, Inc. ("InfrAegis") is a Delaware Corporation and maintains a business location at 1612 Landmeier Road, Unit F, Elk Grove Village, Illinois 60007.
- 3. Respondent Bacteria Sciences Worldwide, LLC, ("BSW") is touted as an InfrAegis company on both the InfrAegis web site and the BSW website, and maintains a business address of Watergate Office Complex, 2600 Virginia Ave. NW, Suite 606, Washington, D.C. 20037. BSW does not maintain an Illinois Corporation File with the Illinois Secretary of State.
- 4. Respondent C. Robert Abbott ("Abbott"), a natural person, has a last known business address of 1612 Landmeier Road, Elk Grove Village Illinois 60007. Respondent Abbott is the Director and Chief Product Officer of InfrAegis and BSW.
- 5. Respondent James R. Zilka ("Zilka"), a natural person, has a last known business address of 1612 Landmeier Road, Elk Grove Village Illinois 60007. Respondent Zilka is the Chief Financial Officer of InfrAegis and BSW.
- 6. On September 11, 2008, an Illinois Resident contacted the Illinois Secretary of State Securities Department with information regarding a recruitment offer he received from InfrAegis and BSW.
- 7. The Illinois Resident met with Webb and Abbott on September 4, 2008. During that meeting Webb and Abbott told him that respondents, InfrAegis and BSW, needed to raise Two Hundred Fifty Million Dollars (\$250,000,000.00) in order to get the funding of One Billion Dollars (1,000,000,000.00) from an interested investor, DLM.
- 8. The Illinois Resident inquired of Webb and Abbott as to the pendency of the Illinois Secretary of State Securities case (file number C0700225). Webb told him that the case was thrown out of court and they were waiting for the final documents.
- 9. Webb and Abbott also told the Illinois Resident that InfrAegis and BSW needed to raise Ten Million Dollars (\$10,000,000.00) in "short term funding" in addition to the Two Hundred Fifty Million Dollars.
- 10. Webb and Abbott offered the Illinois Resident a Short Term Loan Agreement ("Collateralized Note") on behalf of InfrAegis and BSW, with common shares of InfrAegis stock as collateral for the loan.

- 11. Webb and Abbott also recruited the Illinois Resident to sell the Collateralized Note of InfrAegis stock to the public.
- 12. Respondents, Webb and Abbott, offered the Illinois Resident as compensation for selling the Collateralized Notes, Fifty Percent (50%) of the amount raised, to be paid no more than 180 days from the effective date of this Agreement.
- 13. The activities described above constitute the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 et. seq.] (the "Act").
- 14. Respondents, InfrAegis, BSW, Webb and Abbott failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a result, the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
- 15. Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person "to offer or sell any security except in accordance with the provisions of the Act."
- 16. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person "to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act."
- 17. By virtue of the foregoing, Respondent violated Sections 12.A and 12.D of the Act.

Count II

FRAUD IN THE SALE OF SECURITIES

- 1-13 That paragraphs one (1) through twelve (12) of Count I are realleged and incorporated herein as paragraphs one (1) through (13) of this Count II.
- 14. That in the Respondents attempts to Offer and Sell Collateralized Notes; Respondents materially misrepresented the true and accurate disposition of the Illinois Secretary of State Securities case (file number C0700225, which remains pending and unresolved) in order to induce a sale of a security.
- 15. Section 12.F of The Act states that it shall be a violation of the provisions of this Act for any person to, "engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof."
- 16. Section 12.G of the Act states that it shall be a violation of the provisions of this Act for any person to, "obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."
- 17. Section 12.I of the Act states that it shall be a violation of the provisions of this Act for any person to, "employ any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.

18. By virtue of this conduct, Respondents violated Sections 12.F, 12.G, and 12.I of the Act. The aforementioned findings are based upon credible evidence.

Count III

FAILURE TO RESPOND TO SUBPOENA

- 1-13. That paragraphs one (1) through twelve (12) of Count I are realleged and incorporated herein as paragraphs one (1) through (13) of this Count III.
- 14. On April 10, 2009 the Illinois Secretary of State Securities Department issued Subpoenas to Respondent Greg Webb, Respondent C. Robert Abbott, and James R. Zilka via certified mail, return receipt requested.
- 15. That the return date for all the Subpoenas was April 30, 2009, as of May 27, 2009, there has been no response from the respondents.
- 16. That the Respondents failed and refused to respond and continue to fail to respond to the Subpoenas Issued by the Illinois Secretary of State Securities Department.
- 17. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person "to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act."
- 18. By virtue of the foregoing, Respondent violated Section 12.D of the Act.

Count IV

VIOLATION OF ORDERS OF PROHIBITION

- 1-13. That paragraphs one (1) through twelve (12) of Count I are realleged and incorporated herein as paragraphs one (1) through (13) of this Count III.
- 14. That on October 22, 2007, a Temporary Order of Prohibition ("2007 Order") was served on the respondents, prohibiting them from offering or selling securities in the State of Illinois.
- 15. That the Respondents were served with the Temporary Order of Prohibition and requested a Hearing, the Notice of Hearing for which was issued on November 27, 2007.
- 16. That beginning in 2002 and continuing through present, respondents offered and sold Collateralized Note and stock to investors, including but not limited to investors in the State of Illinois.
- 17. That in December of 2007 the Respondents offered and sold stock in InfrAegis to at least three Illinois Residents who were unaccredited investors.
- 18. That the respondent violated the 2007 Order by offering and selling securities in the State of Illinois during the time that they were prohibited.

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19. That by virtue of the foregoing violations of the 2007 Order, respondent violated Sections 12.A and 12.D of the Act.

WHEREAS, by means of the Stipulation Respondents have acknowledged that the following shall be adopted as the Secretary of State's Conclusion of Law:

- a. The Respondents violated Sections 12.A, 12.D, 12.C, 12.F, 12.G and 12.I of the Act.
- b. That by virtue of the foregoing, Respondents are subject to an order permanently prohibiting them from offering or selling securities in the State of Illinois an Order of Censure and to a fine of up to \$10,000 per violation.

WHEREAS, by means of the Stipulation Respondents have acknowledged and agreed that they shall be PROHIBITED from offering and selling of securities in or from the State of Illinois except in compliance with the Illinois Securities Law of 1953 815 ILCS 5/1 et seq. (The "Act").

WHEREAS, Respondents have failed to comply with the Stipulation, which specified that Respondents would make an offer to repurchase to investors, on or before June 1, 2010, any and all stock, notes, and investment contracts and that investors would be repaid one hundred and ten percent of the investment.

WHEREAS, by means of the Stipulation Respondents have acknowledged and agreed that they shall be fined in the amount of Fifty Thousand Dollars (\$50,000.00). Said amount was paid by certified or cashier's check, made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

- 1. The Respondents shall be PROHIBITED from offering and selling securities in or from the State of Illinois except in compliance with the Illinois Securities Law of 1953.
- 2. The Respondents are levied costs of investigation in this matter in the amount Fifty Thousand Dollars (\$50,000.00)., payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on May 13, 2010 have submitted Fifty Thousand Dollars (\$50,000.00) in payment thereof.

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- 3. The Department shall retain jurisdiction over this proceeding for the sole purpose of enforcing the terms and provisions of the Stipulation herein.
- 4. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 4th day of June, 2010

JESSE WHITE
Secretary of State

State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 Felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, {735 ILCS 5/3-101 et seq.} and the Rules and Regulations of the Illinois Securities Act, {14 Ill. Admin. Code Ch. I, Section 130.1123}. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:
Mary A. Lopez
Office of the Secretary of State

Illinois Securities Department

69 West Washington Street, Suite 1220

Chicago, Illinois 60602

Telephone: (312) 793-3023